

COMPANY REGISTRATION NUMBER 4272419

**IPSOTEK LIMITED**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2004**



**GARNERS**  
Chartered Accountants  
Bermuda House  
45 High Street, Hampton Wick  
Kingston upon Thames  
Surrey KT1 4EH

**IPSOTEK LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2004**

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**IPSOTEK LIMITED**  
**THE DIRECTOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2004**

The director presents his report and the unaudited financial statements of the Company for the year ended 31 August 2004.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was in the field of intelligent surveillance technology.

**THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY**

The director who served the Company during the year together with his beneficial interests, including family holdings, in the shares of the Company was as follows:

	Ordinary Shares of £1 each	
	At 31 August 2004	At 1 September 2003
Dr S A Velastin	<u>550</u>	<u>570</u>

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
 Bermuda House  
 45 High Street  
 Hampton Wick  
 Kingston upon Thames  
 Surrey  
 KT1 4EH

Signed by order of the director



DR M A VICENCIO-SILVA  
 Company Secretary

Approved by the director on 13/01/04

**IPSOTEK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 AUGUST 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>		270	172,615
Cost of sales		<u>52,801</u>	<u>55,440</u>
<b>GROSS (LOSS)/PROFIT</b>		<b>(52,531)</b>	<b>117,175</b>
Administrative expenses		<u>44,663</u>	<u>27,246</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(97,194)</b>	<b>89,929</b>
Interest receivable		<u>627</u>	<u>503</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(96,567)</b>	<b>90,432</b>
Tax on (loss)/profit on ordinary activities		<u>(16,577)</u>	<u>16,788</u>
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>(79,990)</b>	<b>73,644</b>
Balance brought forward		<u>73,267</u>	<u>(377)</u>
Balance carried forward		<u><b>(6,723)</b></u>	<u><b>73,267</b></u>

The notes on pages 4 to 6 form part of these financial statements.

## IPSOTEK LIMITED

## BALANCE SHEET

31 AUGUST 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	3	4,296	5,025
<b>CURRENT ASSETS</b>			
Debtors	4	5,689	4,050
Cash at bank		9,805	117,334
		<u>15,494</u>	<u>121,384</u>
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>25,513</u>	<u>52,142</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(10,019)</u>	<u>69,242</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(5,723)</u>	<u>74,267</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	7	1,000	1,000
Profit and loss account		<u>(6,723)</u>	<u>73,267</u>
<b>(DEFICIENCY)/SHAREHOLDERS' FUNDS</b>		<u>(5,723)</u>	<u>74,267</u>

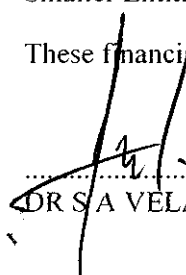
The director is satisfied that the Company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- ensuring that the Company keeps proper accounting records which comply with section 221 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 13/08/04

  
DR S A VELASTIN

The notes on pages 4 to 6 form part of these financial statements.

**IPSOTEK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2004**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared on a going concern basis and on the assumption that the company will be able to continue trading and meet its liabilities as they fall due over the forthcoming twelve months.

**Turnover**

Turnover shown in the Profit and Loss Account represents fees receivable for the year.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment                                      -     25% per annum on written down value

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**2. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Director's emoluments	—	—
Depreciation of owned fixed assets	<u>1,362</u>	<u>1,675</u>

# IPSOTEK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

### 3. TANGIBLE FIXED ASSETS

	Equipment £
<b>COST</b>	
At 1 September 2003	6,700
Additions	633
<b>At 31 August 2004</b>	<u>7,333</u>
<b>DEPRECIATION</b>	
At 1 September 2003	1,675
Charge for the year	1,362
<b>At 31 August 2004</b>	<u>3,037</u>
<b>NET BOOK VALUE</b>	
<b>At 31 August 2004</b>	<u>4,296</u>
At 31 August 2003	<u>5,025</u>

### 4. DEBTORS

	2004 £	2003 £
Other debtors	3,356	1,309
Prepayments and accrued income	2,333	2,741
	<u>5,689</u>	<u>4,050</u>

### 5. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	2,056	5,413
Other creditors including taxation:		
Corporation tax	—	16,788
Other creditors	21,637	28,531
Director's current accounts	1,820	1,410
	<u>23,457</u>	<u>46,729</u>
	<u>25,513</u>	<u>52,142</u>

### 6. RELATED PARTY TRANSACTIONS

The Company was under the control of the Director, Dr S A Velastin, throughout the current and previous periods.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**IPSOTEK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 AUGUST 2004****7. SHARE CAPITAL****Authorised share capital:**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>

**Allotted:**

	<b>2004</b>		<b>2003</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>	<b><u>1,000</u></b>	<b><u>1,000</u></b>

**8. POST BALANCE SHEET EVENTS**

On 23 September 2004 the company increased its authorised share capital by £19,000 to £20,000 and subdivided its issued ordinary shares of £1 into 1,000 ordinary shares of 0.1p each.